

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 88 – SB 363

February 22, 2011

SUMMARY OF BILL: Authorizes the Commissioner of the Department of Transportation (TDOT) to develop guidelines and contract with nonpublic entities regarding advertising on TDOT motor vehicles. Requires all funds received through advertisement contracts to be placed in the Highway Fund.

ESTIMATED FISCAL IMPACT:

Increase State Revenue - \$324,000/Highway Fund

Increase State Expenditures - \$50,000/Highway Fund

Assumptions:

- Any increase in state expenditures associated with the development of guidelines will be not significant and can be accommodated within existing resources without an increased appropriation or reduced reversion.
- According to TDOT, it is difficult to estimate an exact amount of advertisement revenue without the guidelines being developed, but the total increase in state revenue is reasonably estimated to be \$324,000. This is based on at least 72 vehicles generating an average of \$6,000 of advertising revenue each year and 75 percent of total available advertising space being sold each year $[(72 \text{ trucks} \times \$6,000 \text{ per year}) \times 75\% = \$324,000]$.
- Advertising services would be contracted at a cost of approximately \$50,000 per year.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, reading "James W. White".

James W. White, Executive Director

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